

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-464-G - ORDER NO. 94-181 *VC*
MARCH 7, 1994

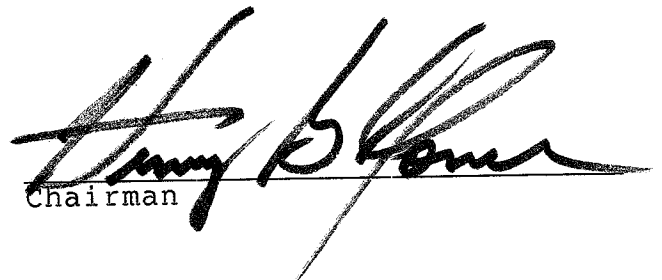
IN RE: South Carolina Pipeline Corporation -) ORDER
Annual Review of the Purchased Gas) APPROVING
Adjustment and Gas Purchasing Policies.) STIPULATION
) AND AGREEMENT
) AND CANCELLING
) HEARING

This matter is before the Public Service Commission of South Carolina (the Commission) on the attached Stipulation and Agreement submitted on behalf of all the parties to this proceeding. In this Stipulation and Agreement, the parties assert that all issues in this Docket have been resolved and, consequently, the hearing scheduled for March 10, 1994, is unnecessary.

The Commission has reviewed the attached Stipulation and Agreement and finds that it should be and is hereby approved. Further, in light of the Stipulation and Agreement, the Commission concludes that the hearing in this matter is no longer necessary and should, therefore, be cancelled.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-464-G

IN RE: South Carolina Pipeline Corporation -)	STIPULATION
Annual Review of the Purchased Gas)	AND
Adjustment and Gas Purchasing Policies.)	AGREEMENT

I.

Introduction

The purpose of this Stipulation and Agreement is to compromise and resolve all issues pending in Docket No. 93-464-G, which is the Annual Review of the Purchasing Practices and Purchased Gas Adjustment (PGA) of South Carolina Pipeline Corporation (SCPC or the Company) for the period of January 1, 1993 to October 31, 1993, and avoid the need for the scheduled hearing.

Testimony was filed in this Docket by W. Keller Kissam and Carlette L. Walker on behalf of SCPC on February 10, 1994. James S. Stites filed testimony on February 23, 1994, with amendment on February 25, 1994, on behalf of the Commission Staff. Petitions to Intervene were filed by the Department of Consumer Affairs, South Carolina Electric & Gas Company and Nucor Steel. A settlement conference was held on February 28, 1994 at the Commission. The period under review in this Docket is January 1, 1993 to October 31, 1993.

II.

Issues presented for resolution in this proceeding.

In this Docket the Commission has before it the following key issues that must be determined:

1. For the period under review, were SCPC's purchasing practices prudent?
2. For the period under review, did SCPC's Purchased Gas Adjustment operate properly by fairly and reasonably recovering the cost of gas entering SCPC's system?
3. For the period under review, was SCPC's cost of gas just and reasonable?
4. Did SCPC comply fully with the requirements set forth in Commission Order No. 93-174, dated February 17, 1993?

III.

Agreements reached by the parties.

The undersigned parties specifically agree to the following terms.

1. For the period under review, Staff has found SCPC's purchasing practices were prudent.
2. For the period under review, Staff has found SCPC's Purchased Gas Adjustment operated properly by fairly and reasonably recovering the cost of gas entering its system.
3. For the period under review, Staff has found SCPC's purchased cost of gas was just and reasonable.
4. No party has challenged Staff's findings. Therefore, the parties stipulate they will not challenge a Commission Order adopting Staff's findings.

5. The parties hereto support continuation of the modifications to the WACOG, as recommended by Staff and approved in Order No. 93-174, for an additional one-year period or until the Commission issues its final Order in the Company's next annual review proceeding. Beginning January 1, 1994 and running for a period of one year until December 31, 1994 or until the Commission issues its final Order in the Company's next annual review proceeding, the parties agree as follows:

a. For the months of November 1993, December 1993, January 1994, February 1994, and March 1994 (the Winter Period), SCPC will infuse the WACOG with a minimum of 20,000 dekatherms per day of the lowest cost gas entering the Company's system. Infusion of a minimum of 20,000 dekatherms of the lowest cost gas during the Winter Period will be done on a daily basis.

b. For the period from April 1, 1994 through October 31, 1994, inclusive (the Summer Period), SCPC will infuse the WACOG with 10,000 dekatherms per day of the lowest cost gas entering the Company's system and, additionally, at some point in time during the period from January 1, 1994 through December 31, 1994 will infuse the WACOG with not less than 2,140,000 dekatherms of the Company's lowest cost gas entering its system on the day(s) that it is infused into the WACOG. The Company may, in its sole discretion, elect to infuse all of the 2,140,000 dekatherms at one time or at multiple times, as long as the total infused volumes amount to 2,140,000 dekatherms at the period's end.

c. The Company's obligation to infuse the volumes of gas into the WACOG agreed to herein shall continue for an additional

one year period or until a final Order is issued by the Commission in the Company's next annual review proceeding.

6. Because both the continuation of the modification to the WACOG as set forth above and the findings as set forth above as to SCPC's gas purchasing, PGA and gas costs are the result of stipulation, compromise and settlement, neither the Commission approval of the findings nor the modification to the WACOG shall constitute precedent for the purposes of future review periods and proceedings. Instead, the parties hereto will fully preserve their rights to litigate at future hearings all issues related to SCPC's purchasing practices and the ISPR program for gas cost incurred after October 31, 1993.

7. SCPC began operating under FERC Order 636 on November 1, 1993. Order 636 required that interstate pipelines unbundle their sales, transportation and storage services. This FERC Order will have a substantial effect on SCPC's operations.

The parties to this stipulation agree to the creation of a separate Docket to address Order 636 issues. The parties have determined that an informal conference or conferences should be held in the near future to discuss Order 636 issues in general and SCPC's operations in the post-636 world in particular. After such an informal conference or conferences, the Commission may decide to hold a hearing to address specific issues of SCPC's post-636 operations. Further, the parties to this stipulation agree not to oppose a hearing. Therefore, the period of time to be addressed by this Stipulation and Agreement is January - October, 1993 and a ruling on November - December, 1993 will be postponed until the

next annual review of SCPC or a hearing on SCPC's operations under Order 636, whichever occurs sooner.

8. SCPC agrees to work with Nucor Steel to answer Nucor Steel's discovery requests to SCPC. If any of the requests require confidential information or are unduly burdensome to answer, SCPC and Nucor Steel will work together in good faith to address these issues.

9. Based on Staff's findings as to January - October, 1993, and the upcoming conference and possible hearing on SCPC's post-636 operations, the parties have determined that resolution of this matter by Stipulation is appropriate.

IV.

Conclusion

All of the undersigned parties are in agreement with all of the terms herein and to the resolution of the issues set out herein and agree that the hearing previously scheduled for March 10, 1994 should be waived. The undersigned parties also request that the Commission adopt this Stipulation and Agreement in its entirety as a full and complete resolution of all outstanding issues in Docket No. 93-464-G.

Agreed and attested to this 4th day of March, 1994

South Carolina Pipeline Corporation

By: Sarena D. Burch
Its: Attorney

Department of Consumer Affairs

By: Elliot J. Elam, Jr.
Its: Attorney

South Carolina Electric & Gas Company

By: John M. Dwyer
Its: Attorney

Nucor Steel

By: Laurie S. Stobbs
Its: attorney

Commission Staff

By: Sharon P. Polan
Its: Attorney
6